

SMT Scharf AG acquires large order from Russia

Hamm, May 22, 2007 – The SMT Scharf AG (WKN 575198, ISIN DE0005751986) has received a large order to deliver six derailment-proof monorail trains to the Russian Severstal group. The contract has a volume of more than €3 million. The trains will go into operation in multiple Severstal mines in Northern Siberia.

Severstal is one of the top coal producers in Russia. Currently, the company operates seven mines in Northern Siberia. Due to the successful operation of SMT Scharf's trains in one of the mines, Severstal now decided to use these systems to a larger extent. The factors of success were the drives' long life expectancy and the systems' low operating and maintenance costs.

"This contract is our largest single order for derailment-proof railways from Russia. It clearly proves our successful strategy to expand internationally", comments Dr. Friedrich Trautwein, CEO of the SMT Scharf AG. After delivery and initial operation during the third quarter, the SMT Scharf AG will open a service center in Northern Siberia. In the first quarter of 2007 SMT Scharf generated revenues of €9.1 million and an EBIT margin of 17.8%.

Company profile

The SMT Scharf group develops, builds and maintains rail-bound railway systems for mining and use in tunnels. The trains are used all over the world, primarily in hard coal mines, gold mines and in underground mining for platinum, diamonds, copper and nickel. They are used to transport material and personnel with working loads of up to 35t. Rail-bound trains are the only means of transport that can be used underground on branching lines to cope with inclines of more than 13 degrees. The SMT Scharf Group has subsidiaries in Germany, Poland and South Africa, external employees in China and Russia, and agencies around the world. The railways developed by SMT Scharf are characterized, above all, by high-performance engines, high working loads, high speed and low operating and maintenance costs. SMT Scharf records more than 50% of its revenues abroad, in 2006 64% of order intake was from high-growth foreign markets such as Russia, China and South Africa. The replacement parts and repairs business constitutes around 55% of revenues. The advances in exploitation of resources make underground conditions increasingly difficult which in turn requires more high technology transport solutions in mining. The total market for underground transport technology comprises around € 5 billion to € 7 billion per year according to company estimates.

Contact

Investor Relations
cometis AG
Henryk Deter
Tel.: +49(0)611 – 205855-13
Fax: +49(0)611 – 205855-66
e-mail: deter@cometis.de